



Foreign Agricultural Service

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## **Philippines**

### **Market Development Reports**

# **The Philippines Raised Excise Tax on Alcoholic Beverages, Cigars and Cigarettes**

## **2000**

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#### **Report Highlights:**

**Philippine excise tax on alcoholic beverages, cigars and cigarettes increased by 12 percent effective January 1, 2000. However, this is not expected to have an adverse effect on imported products because of pre-scheduled tariff reductions that took effect simultaneously.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Manila [RP1], RP

## Executive Summary

Philippine excise tax on alcoholic beverages, cigars and cigarettes increased by 2 percent effective January 1, 2000. However, this is not expected to have an adverse effect on imported products because of pre-scheduled tariff reductions that took effect simultaneously.  
End of Summary.

The Bureau of Internal Revenue issued Revenue Regulations No. 17-99 implementing a 12 percent increase in excise taxes on alcoholic beverages, cigars and cigarettes effective January 1, 2000.

The excise or specific tax rates on distilled spirits, wines, fermented liquors and cigars and cigarettes to be levied, assessed and collected are as follows:

Description of Articles	Rates Prior to Jan. 1, 2000	Rates Effective Jan. 1, 2000
<b>Distilled Spirits</b>		
A.1) if produced from sap of nipa, coconut, cassava, camote or buri palm or from the juice, syrup or sugar of the cane, provided such materials are produced commercially in the countries where they are processed	Pesos 8.00 per proof liter	<b>Pesos 8.96 per proof liter</b>
A.2) if produced in Pot Still by small distiller or other similar primary distilling apparatus of a distiller producing not more than 100 liters a day containing not more than fifty percent (50%) alcohol by volume	Pesos 4.00 per proof liter	<b>Pesos 4.48 per proof liter</b>
B. If produced from raw materials other than above		
B.1) Net retail price per bottle of 750 ml. volume capacity (excluding VAT & excise) is less than Pesos 250.00	Pesos 75.00 per proof liter	<b>Pesos 84.00 per proof liter</b>
B.2) Net retail price per bottle of 750 ml. volume capacity (excluding VAT & excise) is Pesos 250.00 up to Pesos 675.00	Pesos 150.00 per proof liter	<b>Pesos 168.00 per proof liter</b>
B.3) Net retail price per bottle of 750 ml. volume capacity (excluding VAT & excise) is more than Pesos 675.00	Pesos 300 per proof liter	<b>Pesos 336.00 per proof liter</b>

<b>Wines</b>		
A. Sparkling wines/champagne regardless of proof		
A.1. Net retail price per bottle (excluding VAT & excise) is Pesos 500.00 or less	Pesos 100.00 per liter	<b>Pesos 112.00 per liter</b>
A.2. Net retail price per bottle (excluding VAT & excise) is more than Pesos 500.00	Pesos 300.00 per liter	<b>Pesos 336.00 per liter</b>
B. Still wines containing 14 percent of alcohol by volume or less	Pesos 12.00 per liter	<b>Pesos 13.44 per liter</b>
C. Still wines containing more than 14 percent but not more than 25 percent of alcohol by volume	Pesos 24.00 per liter	<b>Pesos 26.88 per liter</b>
<b>Fermented Liquors</b>		
A. Net retail price per liter (excluding VAT & excise) is less than Pesos 14.50	Pesos 6.15 per liter	<b>Pesos 6.89 per liter</b>
B. Net retail price per liter (excluding VAT & excise) is Pesos 14.50 up to Pesos 22.00	Pesos 9.15 per liter	<b>Pesos 10.25 per liter</b>
C. Net retail price per liter (excluding VAT & excise) is more than Pesos 22.00	Pesos 12.15 per liter	<b>Pesos 13.61</b>
<b>Cigars and Cigarettes</b>		
A. Cigars	Pesos 1.00 per cigar	<b>Pesos 1.12 per cigar</b>
B. Cigarettes		
B.1 Net retail price (excluding VAT & excise) exceeds Pesos 10.00 per pack	Pesos 12.00 per pack	<b>Pesos 13.44 per pack</b>
B.2 Net retail price (excluding VAT & excise) is Pesos 6.51 up to Pesos 10.00 per pack	Pesos 8.00 per pack	<b>Pesos 8.96 per pack</b>
B.3 Net retail price (excluding VAT & excise) is Pesos 5.00 to Pesos 6.50 per pack	Pesos 5.00 per pack	<b>Pesos 5.60 per pack</b>

B4. Net retail price (excluding VAT & excise) is below Pesos 5.00 per pack	Pesos 1.00 per pack	<b>Pesos 1.12 per pack</b>
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The new specific tax rate for any existing brand of cigars, cigarettes packed by machine, distilled spirits, wines and fermented liquors shall not be lower than the excise tax that is actually being paid prior to January 1, 2000.

Post feels, however, that the increase in excise taxes will not have an adverse effect on imported products as scheduled import tariff reductions on the same products took effect simultaneously on January 1, 2000.

The new import tariffs are provided below for reference.

HS Code	Description	Rate of Duty	
		1999	1 Jan 2000
2204	Wine of fresh grapes, including fortified wines; grape must other than grape juices	7	5
2205	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances	7	5
2206	Other fermented beverages (cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included	7	5
2208.20 00	Spirits obtained by distilling grape wine or grape marc	20	15
2208.30 00	Whiskies	20	15
2208.40 00	Rum and tafia	20	15
2208.50 00	Gin and Geneva	20	15
2208.60 00	Vodka	20	15
2208.70 00	Liquers and cordials	20	15
2208.90 00	Other	20	15
2402.10 00	Cigars, cheroots and cigarillos, containing tobacco	15	10
2402.90 00	Cigarettes containing tobacco	15	10